



NEW JERSEY

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**Assembly Higher Education Committee
October 27, 2016
Assembly Bill No. 4086
Two to Four Tuition Free Students Program**

The state colleges and universities strongly oppose this legislation. It would create an unworkable enrollment process, cause students to take longer to complete their bachelor's degrees, and dissipate scarce Tuition Aid Grant resources.

Enrollment Management

Section 1.b.(3) would give students who are admitted to four-year public institutions of higher education the ability to elect to complete the first two years of their undergraduate education at a county college, and Section 1.b.(4) would allow these students to defer admission at the four-year public institution for two years. Section 1.d.(1) would require four-year public colleges and universities to grant a deferment for two years to a student who has been accepted for admission to the institution and who participates in the proposed Two to Four Tuition Free Students Program.

New Jersey law (18A:3B-6.d) provides the governing board of each public institution of higher education with the power and duty "to establish admission standards and requirements and standards for granting diplomas, certificates and degrees." The bill's requirement that four-year public institutions grant deferments to students participating in the Two to Four Loan Free Students Program contradicts and undermines that authority.

As a practical matter, legislatively authorized deferments would complicate enrollment management at the senior public institutions. Enrollment managers anticipate certain yields after they admit a class of students. By creating incentives for admitted student to defer admission for up to two years, the bill would create enrollment pressures at the senior public institutions at both ends of the proposed program: the senior publics could lose enrollment on the front end, and then have to anticipate enrollment increases to accommodate students completing their associate's degrees and subsequently enrolling at the senior institution.

Unintended Academic Consequences: "Undermatching"

By encouraging students who have the academic ability to begin their college careers at a four-year institution to instead begin at a county college, the bill may contribute to undermatching, a phenomenon under which high school seniors who are presumptively qualified to attend strong four-year colleges do not do so, instead attending less selective four-year institutions, two-year colleges, or no college at all. Evidence indicates that students who attend more selective institutions graduate at higher rates and in shorter periods of time than do students with similar abilities who attend less selective institutions.

The problems created by undermatching are described in *Crossing the Finish Line: Completing College at America's Public Universities*, published in 2009 and written by the late William Bowen, the former president of Princeton University and of The Andrew W. Mellon Foundation; Matthew Chingos, a senior fellow at the Urban Institute; and Michael S. McPherson, the former president of Macalester College in St. Paul, MN and the president of the Spencer Foundation. The book highlights research from North Carolina focusing on students who were presumptively eligible to attend more selective universities in the North Carolina state system but attended less selective institutions in the same system. There were substantial differences in graduation rates between those who actually attended a more selective institution ("matched") and those who went to a less selective institution ("undermatched"). Six-year graduation rates were 15 points lower for undermatched students (66 percent to 81 percent), and four-year graduation rates were six points lower (67 percent to 73 percent) (p. 107).

The phenomenon of undermatching is particularly pronounced regarding transfer students. Beginning at a two-year college decreases bachelor's-degree attainment rates by about 30 percentage points. Bowen, Chingos and McPherson concluded that "students in North Carolina who wish to earn a bachelor's degree are much more likely to do so if they begin their studies at a four-year institution rather than at a two-year college" (p. 138).

Undermatching appears to be more common among African American and Latino students. Family income and parental education are other significant factors.

"In short," Bowen, Chingos, and McPherson concluded, "the undermatched students paid a considerable price in terms of the time it took them to complete their program of studies and in the reduced probability that they would finish at all" (2009, p. 108).

Two other prominent researchers – Bridget Terry Long, Academic Dean and Professor of Education and Economics at the Harvard Graduate School of Education; and Michal Kurlaender, Associate Professor and Chair of the Graduate Group in Education at the University of California at Davis – have described the "community college penalty" (2009, p. 46). Studying a cohort of students who entered Ohio public colleges and universities in the fall of 1998, Long and Kurlaender concluded that on average, the outcomes of students who initially enter college through the two-year system trailed behind those students who entered via four-year institutions. Long and Kurlaender's conservative estimates suggest that students starting at two-year college "are 14.5% less likely to complete baccalaureate degrees within 9 years" (2009, p. 47).

In Long and Kurlaender's study, the rates of dropping out or "stopping out" without a bachelor's degree were significantly higher for students who started at community colleges than for students who began at four-year institutions. Community college students were 36 percent less likely to obtain a bachelor's degree than similar students who started at four-year colleges.

The results for transfer students in Long and Kurlaender's study were similar to Bowen, Chingos, and McPherson's conclusions. Among community college students in Ohio who expressed an intention to obtain a bachelor's degree, only 26 percent had a bachelor's degree nine years later. By comparison, 50 percent of students who started at nonselective four-year institutions, and 73 percent of those who started at selective four-year institutions, obtained a bachelor's degree within nine years.

Caroline Hoxby, Professor of Economics at Stanford University, and Christopher Avery, Professor of Public Policy and Management at Harvard University's Kennedy School of Government, wrote an influential paper in 2013 that found that nationally, the vast majority of low-income, high achieving students do not apply to any selective college despite being well-qualified for admission. Hoxby and Avery concluded that low-income, high-achieving students are poorly informed about their college-going opportunities; and may have cultural, social, or family issues that make them unwilling to apply to competitive institutions, even if they are confident of being admitted and succeeding academically (p. 47).

Based on the research cited above, students who apply to and are admitted to a senior public college or university in New Jersey should be encouraged to attend that institution, rather than receive a financial incentive to start at a two-year college. The senior public colleges and universities in New Jersey are national leaders in student outcomes. New Jersey's public four-year colleges and universities have the 6th-highest retention rate of first-time, first-year students returning for their second year (84.9 percent) and the 6th-highest six-year graduation rate in the U.S. (60.8 percent). The three-year graduation rate at New Jersey's county colleges is 16.3 percent, ranked 31st in the U.S.

If low-income students face the choice of attending a two-year college instead of a public four-year institution to which they have been admitted solely because of financial need, the State should consider a policy to assist those students to be able to afford the four-year institution.